

**GOVERNMENT OF INDIA
COMMERCE AND INDUSTRY
LOK SABHA**

STARRED QUESTION NO:293
ANSWERED ON:08.08.2003
IMPORT OF AGRICULTURAL PRODUCTS
HARIBHAI PARTHIBHAI CHAUDHARY;MANSINH PATEL

Will the Minister of COMMERCE AND INDUSTRY be pleased to state:

- (a) whether agricultural produce which are available in abundance in the country are also being imported;
- (b) if so, the details of agricultural produce imported during the last three years;p
- (c) the reasons for importing such agricultural produce;
- (d) the impact of such import on Indian agriculturists;
- (e) the efforts being made by the Government to stop import of such produce; and
- (f) the success achieved by the Government as a result of the steps taken in this regard?

Answer

MINISTER FOR COMMERCE AND INDUSTRY (SHRI ARUN JAITLEY)

(a) to (f) A Statement is laid on the Table of the House.

STATEMENT REFERRED TO IN REPLY TO PARTS (a) TO (f) OF LOK SABHA STARRED QUESTION NO.293 FOR ANSWER 8TH AUGUST, 2003 REGARDING IMPORT OF AGRICULTURAL PRODUCTS

Quantitative restrictions on the import of various items including agricultural products have been removed as a part of the process of economic liberalisation and also in terms of our international commitments and obligations. The import of agricultural products, besides various other economic factors, is primarily dependent on domestic demand and supply and the need to provide inputs to processors/manufacturers of agro-based products at reasonable prices. Year-wise and commodity-wise statistics on import of various items, including agricultural products, is published by the Directorate General of Commercial Intelligence and Statistics in the 'Monthly Statistics of Foreign Trade of India Volume-I and copies thereof are available in the Parliament Library.

Import of agricultural commodities during April 02- February 03 was Rs. 9841.72 crores as compared to Rs. 7267.36 crores over the same period in the preceding year. Edible oil accounts for nearly 60-65% of the total agri imports while raw cashew nuts and pulses are among the other dominant agri imports. Import of raw cashew nuts is mainly for processing and re-export of cashew kernels.

As reported in the Economic Survey for 2002-03, the removal of Quantitative Restrictions provided an opportunity to farmers and agro based industries to tap the world markets. The new economic environment has created a conducive environment for improving the terms of trade for agriculture vis-À-vis the manufacturing sector. The price index of agricultural products has moved much faster as compared to the manufactured products in recent years. The trade liberalization and removal of Quantitative Restrictions have helped promote greater export growth in agricultural commodities.

In order to ensure that any significant surge in import of any item including agricultural products do not cause any undue hardship to the Indian farmers, the Government has put in place a suitable mechanism for monitoring the import of sensitive items and is committed to providing adequate protection to the domestic producers by resorting to various WTO compatible measures. The WTO Agreement on Agriculture already provides for suitable calibration of applied tariffs within the bound levels and initiation of trade remedial measures including imposition of anti-dumping, countervailing duties and safeguard action under certain specified circumstances.

In the recent past, Customs duties on a number of agricultural items like edible oil, coconut, tea, coffee, pepper, cloves, cardamom, poppy seeds, natural rubber, latex, poultry products, garlic etc. were increased. Besides this, the import of wheat, rice, maize, copra, coconut oil etc. are under the State Trading regime. Necessary care has also been taken to ensure a level playing field to domestic producers vis-À-vis imports by subjecting agricultural imports to conform to domestic regulations like Food Adulteration Act, Meat Food Product Order, Tea Waste (Control) Order and sanitary and phyto-sanitary permits based on the import risk analysis of the imported agricultural product.